

1 the manner in which Verizon complies with its obligations will have a significant
2 effect on whether AT&T will be able to make practical use of line splitting.
3 Verizon's proposed contract language to accommodate line splitting is vague and
4 requires substantial amplification and clarification, as well as date certain
5 commitments with respect to its delivery. Its proposed language on line sharing
6 also requires clarification in several respects.

7 The specific issues that require resolution here include the following:

- 8 III.10.B.1. Must all aspects of the operational support delivered to AT&T in
9 support of line sharing and line splitting arrangements with
10 Verizon be at no less than parity as compared to the support
11 provided when Verizon engages in line sharing with its own retail
12 operation, with an affiliated carrier, or with unaffiliated carriers in
13 reasonably similar equipment configurations?
14
- 15 III.10.B.2. Must Verizon immediately provide AT&T with the procedures it
16 proposes to implement line splitting on a manual basis?
17
- 18 III.10.B.3. Must Verizon implement electronic OSS that are uniform with
19 regard to carrier interface requirements and implement line
20 splitting contemporaneously with its implementation of such
21 capabilities in New York, but in no event later than January 2002?
22
- 23 III.10.B.4. Must Verizon provide automated access to all loop qualification
24 data to AT&T simultaneously with providing automated access to
25 itself or any other carrier, including non-discriminatory treatment
26 with regard to planning and implementation activities preceding
27 delivery of the automated access?
28
- 29 III.10.B.5. May Verizon require AT&T to pre-qualify a loop for xDSL
30 functionality?
31
- 32 III.10.B.5.a. If AT&T elects not to pre-qualify a loop and the loop is not
33 currently being used to provide services in the HFS, but was
34 previously used to provide a service in the HFS, should Verizon be

and capabilities of a loop so that AT&T (or AT&T and its authorized agent) can provide services in both the low frequency and high frequency spectrum ("HFS") of a customer's existing loop facility that AT&T leases from Verizon?

- 1 liable if the loop fails to meet the operating parameter of a
2 qualified loop?
3
4 III.10.B.6. May AT&T, or its authorized agent, at its option provide the
5 splitter functionality in virtual, common (*a.k.a.* shared cageless) or
6 traditional caged physical collocation?
7
8 III.10.B.7. If Verizon declines to do so voluntarily, must Verizon, at AT&T's
9 request, deploy a splitter on a line-at-a-time basis as an additional
10 functionality of the loop within 45 days of the Commission's order
11 in a proceeding of general application?
12
13 III.10.B.8. Must Verizon perform cross-connection wiring at the direction of
14 AT&T (or its authorized agent), including CLEC-to-CLEC cross-
15 connections, regardless of who deploys a splitter or where it is
16 deployed in a line sharing or line splitting arrangement?
17
18 III.10.B.9. Must Verizon implement line sharing/splitting in a manner
19 consistent with that ordered in New York?
20
21 III.10.B.10. Must Verizon allow AT&T to collocate packet switches in
22 collocation space?
23
24 III.10.B.11. Must Verizon support the loop-local switch port-shared transport
25 combination in a manner that is indistinguishable from the
26 operational support Verizon delivers to the retail local voice
27 services Verizon provides in a line sharing configuration, including
28 cases where Verizon shares a line with Verizon Advanced Data,
29 Inc., or another Verizon affiliate, or any unaffiliated carriers, if a
30 loop facility in a line splitting configuration is connected to
31 Verizon's unbundled local switching functionality?
32
33 III.10.B.12. Is a period of thirty (30) business days adequate for Verizon to
34 provide augmentations to existing collocations to enable AT&T to
35 engage in line sharing or line splitting?
36
37 III.10.B.13. In circumstances where it is technically feasible to convert an
38 existing line sharing arrangement to a line splitting arrangement
39 without physical disruption of then-existing service to the end user,
40 must Verizon institute records-only changes to record the
41 necessary transfer of responsibilities, without making any changes
42 to the physical facilities used to service the customer, unless
43 AT&T requests otherwise?
44
45 III.10.B.14. In circumstances where the establishment of a line sharing or line
46 splitting configuration requires physical re-termination of wiring,

1 must Verizon make such changes in a manner that assures that no
2 less than parity is achieved for AT&T and its customers with
3 respect to out-of-service intervals and all other operational support,
4 as compared to line sharing or line splitting configurations that
5 have equivalent splitter deployment options?
6

7 III.10.B.15. May Verizon require any form of collocation by AT&T as a pre-
8 requisite to gaining access to the low frequency spectrum of a loop,
9 the high frequency spectrum of the loop, or both, unless such
10 collocation is required to place equipment employed by AT&T (or
11 its authorized agent) to provide service?
12

13 **Q. WHY IS ARBITRATION OF THESE ISSUES NECESSARY?**

14 **A.** Verizon must not be permitted to use the negotiation/arbitration process as a tool
15 to delay further the implementation of AT&T's reasonable support requirements.
16 Nor should it be allowed to incorporate only general statements of its obligations
17 in the parties' interconnection agreement and thus preserve opportunities to
18 engage in future debates (and likely litigation) over the exact extent of its
19 obligations, when clear and concise descriptions of its obligations can be
20 developed and implemented in the agreement. In addition, Verizon should be
21 obligated to implement all of the results of the New York Collaborative on DSL
22 promptly and also to implement this Commission's anticipated decision on ILEC
23 splitter ownership without the need for further proceedings.

24 **Q. WHY ARE VERIZON'S PROPOSED CONTRACT TERMS ON THESE**
25 **ISSUES INSUFFICIENT?**

26 **A.** The notable difference between the line splitting language submitted by AT&T
27 and Verizon is that Verizon's proposals are totally devoid of any operational
28 detail. And although language Verizon has presented for line sharing provides
29 some detail, it too requires some focused clarification.

1 Verizon's language addressing line splitting consists of a single broadly
2 written paragraph that simply pays lip service to the Commission's prior finding
3 that incumbents have a current obligation to support line splitting. In its entirety,
4 Verizon's proposed language on line splitting states:

5 11.2.18.1 CLECs may provide integrated voice and data services over
6 the same Loop by engaging in "line splitting" as set forth
7 in paragraph 18 of the FCC's Line Sharing Reconsideration
8 Order (CC Docket Nos. 98-147, 96-98), released January
9 19, 2001. Any line splitting between two CLECs shall be
10 accomplished by prior negotiated arrangement between
11 those CLECs. To achieve a line splitting capability,
12 CLECs may utilize existing supporting OSS to order and
13 combine in a line splitting configuration an unbundled
14 xDSL capable Loop terminated to a collocated splitter and
15 DSLAM equipment provided by a participating CLEC,
16 unbundled switching combined with shared transport,
17 collocator-to-collocator connections, and available cross-
18 connects, under the terms and conditions set forth in their
19 Interconnection Agreement(s). The participating CLECs
20 shall provide any splitters used in a line splitting
21 configuration. CLECs seeking to migrate existing UNE
22 platform configurations to a line splitting configuration
23 using the same unbundled elements utilized in the pre-
24 existing platform arrangement may do so consistent with
25 such implementation schedules, terms, conditions and
26 guidelines as are agreed upon for such migrations in the
27 ongoing DSL Collaborative in the State of New York, NY
28 PSC Case 00-C-0127, allowing for local jurisdictional and
29 OSS differences.
30

31 This language is patently inadequate to provide any assurance that Verizon
32 will in fact comply with the obligations already established in the *Line Sharing*
33 *Reconsideration Order* or do so by a date certain. Indeed, the third sentence of
34 Verizon's proposed language specifically refers carriers to the terms of their

1 interconnection agreements – exactly what AT&T is trying to develop here.²⁰⁶

2 Moreover, it is flatly inconsistent with the Commission’s determination that line
3 splitting is a “current” obligation that must be implemented *whether or not* an
4 ILEC has developed automated systems to support line splitting.

5 In this regard, Verizon’s claim that the Commission “has already approved
6 of” both its line sharing and line splitting proposals is both wrong and beside the
7 point.²⁰⁷ The cited paragraph of Commission’s *Massachusetts 271 Order*²⁰⁸
8 found that Verizon’s *performance* of its line sharing obligations (based on limited
9 Massachusetts data and additional data from New York) was not sufficiently
10 discriminatory to withhold approval of the application.²⁰⁹ It did not purport to
11 review the line sharing terms of its interconnection agreement at all.²¹⁰

12 More important, however, Verizon’s position is irrelevant, for two
13 reasons. First, AT&T is entitled to negotiate (and arbitrate if necessary) any
14 interconnection terms it wishes as long as they are not inconsistent with the

206 Verizon, in the alternative, may mean that the current interconnection agreement terms should suffice. Certainly this can’t be as the current agreement has virtually no operational obligations spelled out. Without delineation of such terms, there are no assurances of required operational support, nor set implementation methods, other than those subject to Verizon’s interpretation.

207 SSUI at 90.

208 *Application of Verizon New England, Inc., et al. for Authorization to Provide In-Region InterLATA Services in Massachusetts*, FCC 01-130, released April 16, 2001, ¶ 165.

209 *See id.* ¶ 173 (noting, however, the Commission’s “concerns with the accuracy of Verizon’s performance results and the limited volume of competitive LEC orders captured by the [performance] measures”).

210 The Commission did review the terms of Verizon’s Model Interconnection Agreement with respect to line splitting, mainly because there was virtually no performance data to review. Notably, however, even the Commission had problems with Verizon’s apparent interpretation of some of its own unilaterally proposed language. *See id.* ¶ 179n.569.

1 Act.²¹¹ Second, it is indisputable that there is more than one set of contractual
2 terms and conditions that lawfully implement sections 252 and 252. Indeed, the
3 Commission is charged here with the duty to arbitrate such issues between the
4 parties, and it has the authority (i) to adopt lawful proposals made by either party,
5 (ii) to require the parties to submit additional proposals, and (iii) even to adopt
6 results that are proposed by neither party.²¹² Thus, there is no reason why the
7 Commission should accept Verizon's unilaterally developed general language
8 over AT&T's more detailed proposals.

9 **Q. WHAT SPECIFIC CONTRACT PROVISIONS ARE NECESSARY TO**
10 **ASSURE THAT VERIZON PROVIDES NONDISCRIMINATORY**
11 **SUPPORT FOR LINE SPLITTING? (ISSUES III.10.B.1, 11, 13 &14)**

12 **A.** As submitted by AT&T, these issues are:

13
14 III.10.B.1. Must all aspects of the operational support delivered to AT&T in
15 support of line sharing and line splitting arrangements with
16 Verizon be at no less than parity as compared to the support
17 provided when Verizon engages in line sharing with its own retail
18 operation, with an affiliated carrier, or with unaffiliated carriers in
19 reasonably similar equipment configurations?

20
21 III.10.B.11. Must Verizon must support the loop-local switch port-shared
22 transport combination in a manner that is indistinguishable from
23 the operational support Verizon delivers to the retail local voice
24 services Verizon provides in a line sharing configuration, including
25 cases where Verizon shares a line with Verizon Advanced Data,
26 Inc., or another Verizon affiliate, or any unaffiliated carriers, if a
27 loop facility in a line splitting configuration is connected to
28 Verizon's unbundled local switching functionality?

211 See § 252(a)(1) (permitting voluntary negotiations "without regard to the standards set forth in subsections (b) and (c) of section 251").

212 *Procedures for Arbitrations Conducted Pursuant to Section 252(e)(5) of the Communications Act of 1934, as amended*, FCC 01-21, released January 19, 2001, ¶¶ 4-5.

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III.10.B.13. In circumstances where it is technically feasible to convert an existing line sharing arrangement to a line splitting arrangement without physical disruption of then-existing service to the end user, must Verizon institute records-only changes to record the necessary transfer of responsibilities, without making any changes to the physical facilities used to service the customer, unless AT&T requests otherwise?

III.10.B.14. In circumstances where the establishment of a line sharing or line splitting configuration requires physical re-termination of wiring, must Verizon make such changes in a manner that assures that no less than parity is achieved for AT&T and its customers with respect to out-of-service intervals and all other operational support, as compared to line sharing or line splitting configurations that have equivalent splitter deployment options?

18 Each of these questions must clearly be answered “yes;” otherwise there
19 can simply be no assurance that AT&T will in fact receive nondiscriminatory
20 support from Verizon. AT&T has therefore proposed contract language to
21 implement each of these aspects of Verizon’s support for line sharing and line
22 splitting.

23 Section 1.3.5 of AT&T’s Schedule 11.2.17²¹³ provides: “Verizon shall
24 provide non-discriminatory operational support to AT&T and any Authorized
25 Agent for the purpose of Line Splitting.”²¹⁴ This provision is obviously

213 AT&T’s Schedule 11.2.17 contains virtually all of AT&T’s proposed contract terms for line sharing and line splitting. Unless specified below, all section reference to AT&T’s proposed contract language are to that Schedule, which Verizon has rejected in its entirety (*see* Verizon’s May 31, 2001 Answer, Tab C).

214 This section also clarifies that AT&T is the sole entity that is purchasing the loop when it engages in line splitting and that AT&T has the right to continue to use any splitter that Verizon has previously deployed on the loop. These terms are necessary to dispel any confusion as to which carrier has the right to control the loop and to prevent any unnecessary “rip-apart” of existing service arrangements when none is required to provide the service the customer requests (*see* FCC Rule 51.315(b)). It also requires

1 necessary to establish Verizon's core operational obligations. More specifically,
2 AT&T's § 1.3.10 provides that: "[w]hen provisioning Line Splitting for AT&T,
3 Verizon shall assure that no more cross-connections are required than it employs
4 when deploying a Line Sharing arrangement in the same office and the splitter
5 used to enable Line Sharing is deployed in a comparable collocation
6 arrangement." Recognizing the technical similarities between line sharing and
7 line splitting, AT&T's §§ 1.3.7 (return of Firm Order Commitments), 1.5
8 (deployment of splitters) and 1.8 (maintenance of the low frequency spectrum)
9 provide that both line sharing and line splitting should be covered by the same
10 terms and conditions. These provisions add specific operational detail to the
11 general nondiscrimination requirement and assure that AT&T line splitting
12 arrangements are to be handled in the same technical manner as all line sharing
13 arrangements.

14 In addition, given AT&T's prior experience in dealing with incumbents'
15 support for UNE-P, AT&T's proposed § 1.3.11 provides that the addition of
16 service in the HFS to implement line splitting "will have no adverse impact on a
17 customer's existing UNE-P service." It specifically provides that unless AT&T
18 requests a change, there will be no changes to the customer's service in a number
19 of areas in which AT&T has had problems in the past, including loss of a
20 customer's working telephone number, changes of the currently operating loop,
21 lost 911 access or listings, and several other items. That section recognizes,

Verizon to define a mutually agreeable means to define permissible activities by AT&T's Authorized Agent and assures that AT&T will not be held responsible for any charges that were incurred before AT&T took "ownership" of the loop.

1 however, that a brief service interruption may occur, but provides that such
2 interruption “shall not exceed that which occurs when Verizon reconfigures one
3 of its own POTS lines to a Line Sharing configuration for itself or another
4 carrier,” another obvious nondiscrimination requirement.

5 Several other AT&T provisions require other specific types of
6 nondiscriminatory conduct by Verizon. Section 1.3.12 requires Verizon to track
7 provisioning intervals and “due dates met” separately for line sharing and line
8 splitting, to assure that Verizon’s support for line sharing, in which Verizon
9 retains the customer’s voice service, is not superior to its support of line splitting,
10 when it does not retain the customer’s voice service. Section 1.7 provides AT&T
11 with identical options for testing loop facilities, whether it uses line sharing or line
12 splitting. Section 1.9 sets forth specific requirements that assure billing parity for
13 both line sharing and line splitting when AT&T provides the voice service using
14 UNE-P.

15 Finally, § 1.10 of AT&T’s proposed agreement requires Verizon to
16 establish specific performance tracking obligations to assure that metrics and
17 periodically reported data are available to monitor Verizon’s performance of its
18 line sharing and line splitting functions. That section also requires Verizon to
19 disaggregate the data in a manner that will help to disclose any disparities in
20 Verizon’s performance for itself, its affiliates and third parties. Although these
21 measures are obviously critical to determining whether Verizon actually provides
22 parity performance, Verizon states that “[n]o measurements for the interval of
23 service interruption [in implementing a line sharing order for a customer with

1 existing voice service] are known to exist at this time.”²¹⁵ Thus, AT&T’s request
2 for the development of such measurements is especially appropriate.

3 All of these specific requirements are appropriate and necessary to assure
4 that Verizon’s obligations are fully fleshed out and that there is as little room as
5 possible for future dispute over Verizon’s specific duties to support line sharing
6 and line splitting in a nondiscriminatory manner.

7 **Q. WHY SHOULD AT&T’S CONTRACT PROPOSALS RELATING TO THE**
8 **ADOPTION OF THE WORK OF THE NEW YORK COLLABORATIVE**
9 **BE APPROVED?**

10 **A.** These issues²¹⁶ relate to Verizon’s obligation to provide AT&T with the OSS
11 necessary to support line splitting arrangements, both for new customers and for
12 migrating customers that already have a line sharing arrangement and are moving
13 to a line splitting arrangement.²¹⁷ As noted above, the Commission ruled in
14 January that Verizon has a *current* obligation to support line splitting. Therefore,
15 Verizon is required to provide carriers with the OSS necessary to support line
16 splitting *today*. There is simply no basis for Verizon to contend otherwise.

215 Verizon response to AT&T Data Request 3-28, dated July 18, 2001.

216 Issues III.10.B.2, 3 and 9, respectively.

217 As submitted by AT&T, these issues are:

III.10.B.2. Must Verizon immediately provide AT&T with the procedures it proposes to implement line splitting on a manual basis?

III.10.B.3. Must Verizon implement electronic OSS that are uniform with regard to carrier interface requirements, to implement line splitting contemporaneously with its implementation of such capabilities in New York, but in no event later than January 2002?

III.10.B.9. Must Verizon implement line sharing/splitting in a manner consistent with that ordered in New York?

1 Accordingly, in order to comply with the *Line Sharing Reconsideration Order*,
2 Verizon must have a currently available means to make line splitting practically
3 available. In the absence of mechanized support processes, a set of manual
4 processes must be available now.

5 AT&T recognizes that issues relating to the implementation of
6 *mechanized* support for line splitting are being addressed in a collaborative in
7 New York, and AT&T is actively participating in that forum. If, however,
8 Verizon seeks to rely on those proceedings to satisfy its obligations in Virginia,
9 Verizon should be required to accept *all* of the results of the New York
10 collaborative—not merely those that are “agreed upon.” Otherwise, Verizon will
11 be allowed successive “bites at the apple” with respect to decisions that it does not
12 support.

13 AT&T’s proposed language reasonably requires that Verizon accept in
14 Virginia the resolution of disputed issues adopted by the New York Commission.
15 Moreover, in order to assure that these provisions are adopted promptly, AT&T’s
16 language provides that Verizon will implement the results in Virginia
17 contemporaneously in both states.²¹⁸ This is fully consistent with Verizon’s

218 Verizon apparently agrees with this in principle and thus should not object to incorporating such language in the agreement. *See* SSUI, p. 93 (agreeing to implement the “timelines” from the New York Collaborative). Accordingly, it should not be permitted to delay the implementation of the New York line splitting requirements because of “local jurisdictional and OSS differences” (*see* Verizon’s proposed § 11.2.18.1).

1 obligation to develop region-wide OSS across all of the Bell Atlantic states.²¹⁹

2 Accordingly, AT&T's proposed contract language provides:

3 At AT&T's request, Verizon shall provide in Virginia the same
4 functionality and operational support as is agreed to between the
5 Parties in the collaborative sessions occurring in New York or that
6 is directed by the New York State Public Service Commission with
7 respect to the implementation of Line Sharing or Line Splitting.
8 To the extent that AT&T makes such a request of Verizon in
9 Virginia, unless AT&T specifically agrees in writing, such
10 functionality and support shall be implemented in Virginia
11 contemporaneously with that implemented in New York, and the
12 implementation of such functionality and operational support shall
13 be identical to that in New York, including their impacts on
14 AT&T's internal operations and OSS interfaces.²²⁰
15

16 It should also be recognized, however, that Verizon may not in fact be
17 able to honor its commitment to provide the identified scenarios in a satisfactory
18 manner by the October date.²²¹ Moreover, other issues may arise in the future.
19 Accordingly, Verizon must also be required to have manual support processes
20 available to cover any such gap. Moreover, the lack of standardized ordering

219 *See e.g., Application of GTE Corporation and Bell Atlantic Corporation for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorization and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order, released June 16, 2000 ("*Bell Atlantic/GTE Merger Order*"), ¶ 286.

220 AT&T Proposed Contract at § 1.12. *See also* AT&T's proposed § 1.3.4, which permits AT&T to place either line sharing or line splitting orders using the "existing interface for submission of UNE-P orders and order status tracking," and requires the ordering interface to be the same across all of Verizon's states; and AT&T's proposed § 1.7.4, which permits AT&T to log and track trouble tickets, execute MLT tests and receive the results of such tests using the interface established for UNE-P customer configurations.

221 *See* Verizon's Supplemental Statement of Unresolved Issues ("SSUP"), Tab B to Verizon's Answer, at 93. In fact, when asked about flow-through rates expected in Virginia (for line splitting), Verizon was unable to answer – which indicates little tangible thought may currently be directed toward implementation. *See* Verizon's Response to AT&T Discovery Request 3-34, dated July 18, 2001.

1 requirements for line sharing or line splitting should not be a legitimate basis for
2 Verizon to refuse to handle an order on a manual basis, as long as all of the
3 information is provided in an industry standard format.²²²

4 **Q. WHY SHOULD THE COMMISSION ADOPT AT&T'S PROPOSED**
5 **CONTRACT LANGUAGE REGARDING LOOP QUALIFICATION**
6 **DATA?**

7 **A.** Issue III.10.B.4 relates to Verizon's *ongoing* obligation to provide automated
8 access to Verizon's loop qualification data in a nondiscriminatory manner.²²³

9 The key language in this regard appears in the last two sentences of AT&T's
10 § 1.3.1:

11 Should Verizon subsequently offer any other Loop qualification
12 procedures or methods to any other party engaged in Line Sharing
13 or Line Splitting with Verizon, then Verizon shall provide AT&T
14 with a non-discriminatory opportunity to participate in planning
15 and implementing modifications to available data compilations or
16 procedures and shall simultaneously make any new or changed
17 procedures and new or restructured data available to AT&T, if so
18 requested by AT&T, for use at AT&T's option. The pre-
19 qualification interface(s) shall be uniform across all of the states
20 served by Verizon.
21

22 This language serves three important purposes. First, it contractually
23 binds Verizon to assure that it will *continue* to provide AT&T with

222 AT&T Proposed Contract at § 1.3.4. There is also no reason why AT&T should not be permitted to use the existing UNE-P interface to submit such orders, or that Verizon's UNE-P interface should be different for Virginia than its other states (*id.*; *Bell Atlantic/GTE Merger Order*, ¶ 286).

223 AT&T's statement of that issue is:

III.10.B.4. Must Verizon provide automated access to all loop qualification data to AT&T simultaneously with providing automated access to itself or any other carrier, including non-discriminatory treatment with regard to planning and implementation activities preceding delivery of the automated access?

1 nondiscriminatory access to loop qualification information if it should consider
2 developing additional (or improved) methods for itself or third parties. Second, it
3 provides AT&T a nondiscriminatory opportunity to participate in Verizon's
4 planning and implementation of such processes. This, in turn, will assure that
5 AT&T receives information about and an opportunity to participate in such
6 decisions, which is necessary to assure that Verizon will not develop
7 discriminatory processes in the future. Third, consistent with Verizon's general
8 obligation to provide uniform OSS throughout its region, AT&T's proposed
9 language assures that AT&T will not have to incur multiple sets of costs to
10 develop multiple systems or processes to access Verizon's loop data.

11 **Q. SHOULD VERIZON BE PERMITTED TO REQUIRE AT&T TO PRE-**
12 **QUALIFY A LOOP WHEN IT ENGAGES IN LINE SPLITTING?**²²⁴

13 **A.** No. The purposes of pre-qualification are to determine whether a loop is capable
14 of providing a DSL service and to assure that the addition of a DSL service to a
15 loop will not affect the voice service on the underlying low frequency spectrum
16 ("LFS") when Verizon provides the voice service. Thus, although AT&T does
17 not object to a pre-qualification requirement when it engages in line sharing (and
18 Verizon is the provider of the voice service),²²⁵ in line splitting Verizon will not

224 AT&T's statement of Issues III.10.B.5&5.a is:

III.10.B.5. May Verizon require AT&T to pre-qualify a loop for xDSL functionality?

III.10.B.5.a. If AT&T elects not to pre-qualify a loop and the loop is not currently being used to provide services in the HFS, but was previously used to provide a service in the HFS, should Verizon be liable if the loop fails to meet the operating parameter of a qualified loop?

225 See AT&T's § 1.3.1.

1 be responsible to an end user customer for the provision of *either* the voice *or* the
2 DSL service over the loop. Therefore, a requesting carrier should have the right
3 to decide whether or not to pre-qualify a loop and the means it chooses to do so,
4 as long as that carrier informs Verizon of the type of DSL service it will be
5 providing over the loop.²²⁶

6 Sections 1.3.2&3 of AT&T's proposed contractual language addresses
7 these issues. In particular, § 1.3.2 provides that AT&T may, at its option, decide
8 whether to make use of Verizon's loop qualification information in connection
9 with line splitting, using the same pre-ordering interface used for UNE-P orders
10 that do not involve line splitting. Section 1.3.3 expressly provides that Verizon
11 may not reject an order for line splitting simply because AT&T has not pre-
12 qualified the loop using Verizon procedures. In addition, Verizon should make
13 pre-ordering information available to AT&T that informs AT&T whether the loop
14 was previously pre-qualified or conditioned by or on behalf of any other carrier.
15 In such cases, Verizon should be responsible for the performance of that loop,
16 whether or not AT&T pre-qualified the loop, because the loop has previously
17 been subject to the necessary pre-qualification and/or conditioning. On the other
18 hand, if AT&T does not pre-qualify a loop that was not pre-qualified or
19 conditioned, § 1.3.3 recognizes that AT&T should bear the risk of that decision.

226 AT&T recognizes that it is appropriate to provide such information, so that Verizon can perform its spectrum management functions on the binder group. See § AT&T's 1.4 ("AT&T shall provide Verizon with the information required by FCC Rules regarding the type of xDSL technology that it deploys on each loop facility employed in Line Sharing or Line Splitting"). This language provides more (and clearer) detail regarding how this information should be provided than Verizon's language in its proposed § 11.2.17.3.

1 In these circumstances, AT&T will not hold Verizon responsible for service
2 performance of the HFS unless AT&T subsequently qualifies the loop.

3 Contrary to Verizon's claim,²²⁷ the language of § 1.3.3 is not inconsistent.
4 Rather, it fairly balances the rights and interests of both parties without requiring
5 AT&T to engage in the sometimes lengthy and expensive pre-qualification
6 process, *e.g.*, an Engineering Query. Moreover, Verizon agrees that there are
7 indeed certain circumstances when AT&T should not be required to engage in a
8 loop qualification at all, *i.e.*, for "a loop that has already been pre-qualified for the
9 *same* advanced data service in the same time period (*i.e.*, the loop has been in
10 continuous use for the same service)."²²⁸ AT&T, however, does not believe there
11 is any reason why Verizon should require AT&T to incur the expense of pre-
12 qualifying loops using Verizon's procedures if AT&T is prepared to employ
13 alternatives means and/or is willing to bear the reasonable consequences of
14 relying on its own capabilities. Contrary to Verizon's claim, such a provision will
15 not impose any injury or significant "inefficiency" on Verizon, because it will not
16 face any liability in such cases and, with line splitting, the customer does not (and
17 should not) perceive that Verizon is providing any aspect of the service.²²⁹

18 The unreasonableness of Verizon's position is made clear in its responses
19 to AT&T's Discovery Requests 3-39, 42, 44 and 45, dated July 18, 2001. First,
20 Verizon acknowledges that its mechanized loop qualification procedure is "based

227 See SSUI at 95.

228 *Id.* (Emphasis in original).

229 *Id.* at 95-96.

1 on the average length as determined by MLT of a sample of loops at each
2 terminal *and does not pre-qualify a specific loop.*"²³⁰ Nevertheless Verizon
3 would appear to require AT&T to employ its loop qualification procedures—even
4 if AT&T would otherwise use an alternative qualification procedure that
5 addresses the *specific* loop for which the customer seeks service. The only
6 reasonable bases for this requirement by Verizon -- none of which are valid here -
7 - are the following:

- 8 1. The qualification tool used by AT&T is substantially less than 98% (the
9 accuracy rate asserted for the Verizon procedure in its response to DR 3-
10 39). False rejects should be of equivalent level; however, Verizon has not
11 even attempted to quantify these errors with respect to its own procedure
12 or take them into account (which is also confirmed by DR 3-39); or
- 13 2. The same or substantially similar electrical characteristics are not
14 identified (*e.g.*, presence of DAML/DLC, presence of interferers, and
15 electrical length of the loop).²³¹

16 Neither of these deficiencies exists in the alternative methodology that
17 AT&T might employ yet Verizon absolutely refuses to accept orders unless the
18 Verizon pre-qualification is employed.²³²

19 Verizon's opposition is unsustainable, especially since (i) Verizon does
20 not provide any advice in the pre-qualification procedure as to whether or not the

230 Verizon Response to DR 3-39 (emphasis added).

231 See Verizon Response to DRs 3-39 & 3-44(A).

232 Verizon Response to DR 3-47.

1 carrier will be successful in delivering its DSL capability;²³³ (ii) Verizon does not
2 return any information that AT&T could not obtain through its own separate
3 qualification procedure;²³⁴ (iii) the ordering (rather than the pre-qualification)
4 procedure provides the essential spectrum management information; and (iv) the
5 AT&T tool provides equivalent accuracy of qualification for the specific loop
6 rather than for a sample. In light of these facts, Verizon's only possible remaining
7 justification for requiring use of its qualification tool is that it wants to be able to
8 charge for this information.²³⁵ That is clearly an insufficient basis under the
9 circumstances.

10 **Q. SHOULD AT&T (OR ITS AUTHORIZED AGENT), AT ITS OPTION, BE**
11 **PERMITTED TO PLACE SPLITTER FUNCTIONALITY IN VIRTUAL,**
12 **COMMON (*a.k.a.* SHARED CAGELESS) OR TRADITIONAL CAGED**
13 **PHYSICAL COLLOCATIONS?²³⁶**

14 **A.** Yes. However, Verizon appears to have mistaken AT&T's position in this
15 regard.²³⁷ Section 1.5 of Schedule 11.2.17 merely provides that AT&T may
16 deploy a splitter in any type of collocation that it has established in a Verizon
17 central office. It does *not* give (or seek to give) AT&T the additional right to
18 select the particular place in the Verizon office where the collocation will be
19 located. In fact, consistent with AT&T's proposed language, Verizon

233 See Verizon Response to DR 3-44(B).

234 *Id.*

235 See Verizon Response to DR 3-47.

236 See Issue III.10.B.6.

237 See SSUI at 96.

1 acknowledges “AT&T has the option of placing splitter equipment in their own
2 collocation space.”²³⁸

3 **Q. UNDER WHAT CONDITIONS SHOULD THE AGREEMENT REQUIRE**
4 **VERIZON TO DEPLOY SPLITTERS ON A LINE-AT-A-TIME BASIS AS**
5 **AN ADDITIONAL FUNCTIONALITY OF THE LOOP?**²³⁹

6 **A.** Again it appears that Verizon has either not read or has misread AT&T’s contract
7 language on this issue. Section 1.6 of Schedule 11.2.17 states as follows:

8 Notwithstanding the foregoing [provisions of § 1.5 on the
9 placement of AT&T-owned splitters], Verizon shall offer to
10 provide AT&T with access to Verizon-owned splitters, on a line-
11 at-a-time basis, and AT&T shall have the right to request Verizon
12 provide such attached Loop electronics in a central office on 90
13 days notice. Once such splitters are deployed, Verizon will
14 provision AT&T’s orders for Line Sharing or Line Splitting using
15 such Verizon-provided splitters within the intervals described
16 herein. If Verizon declines to provide such capability to AT&T, it
17 will implement such capability within 45 days of an FCC order
18 requiring ILECs generally to do so. If the Parties are unable to
19 reach agreement regarding the implementation of such obligations,
20 either Party may subject the issue to Dispute Resolution as
21 provided in Section 28.11 of this Agreement.

22 Contrary to Verizon’s assertion,²⁴⁰ AT&T is not asking “the Commission
23 to require Verizon to purchase and install splitters.” Rather, the provision seeks
24 Verizon’s *voluntary agreement* to provide splitters, pursuant to § 252(a)(1). In
25 the alternative, this provision states that if Verizon refuses to do so (as appears to
26 be the case), then Verizon “will implement such capability within 45 days of an
27 FCC order requiring ILECs generally to do so.” Given the history of this issue,
28 AT&T’s proposal is reasonable.

238 See Verizon Response to DR 3-49.

239 See Issue III.10.B.7.

1 First, an order in this proceeding requiring Verizon to provide splitters on
2 a line-at-a-time basis would be consistent with the Act and the Commission's
3 implementing rules and orders and fully supported by the law and the facts.

4 There is no question that the Commission, sitting as arbitrator, has the legal
5 authority to require Verizon to provide splitters in this manner in Virginia, and
6 that doing so would be in the public interest, as several states have already held.

7 For example, in Texas, the arbitrators ruled:

8 "[The Arbitrators] agree with AT&T that it is purchasing all of the loop
9 including the low and high frequency spectrum portion of the loop when it
10 purchases the unbundled loop in combination with the switch port or
11 UNE-P. As noted by AT&T, in the FCC's Line Sharing Order the FCC
12 defined the high frequency loop as a capability of the loop. In order to
13 gain access to the high frequency portion of the UNE loop, line splitting is
14 required. Such line splitting is accomplished by means of passive
15 electronic equipment referred to as splitter.

16
17 Although, as noted by SWBT, the FCC has to date, not required ILECs to
18 provide the splitter in either a line sharing or line splitting context, the
19 Arbitrators believe this Commission has the authority to do so on this
20 record. *The FCC has clearly stated that its requirements are the minimum
21 necessary and that state commissions are free to establish additional
22 requirements, beyond those established by the FCC, where consistent.
23 Indeed, in the SWBT Texas 271 Order, the FCC acknowledged that line
24 splitting, a recent development, would be subject to potential arbitration
25 before the Texas Commission.*²⁴¹
26

27 The Texas Commission upheld this award, stating:

28 "The Commission . . . finds it appropriate to conclude that the splitter is to
29 be included in the definition of the local loop . . . excluding the splitter
30 from the definition of the loop would limit its functionality . . . agrees with

240 SSUI at 99.

241 *Petition of SWBT for Arbitration with AT&T Communications, TCG and Teleport
Communications Pursuant to Sec. 252(b)(1) of the Federal Telecommunications Act of
1996, Docket No. 22315, Revised Arbitration Award, dated September 27, 2000, at 18-
19. (Emphasis added).*

1 the Arbitrators' conclusion that "there is no technical distinction between
2 line sharing and line splitting, as the splitter provides access to the same
3 functionality of the loop in both contexts. Consequently the Commission
4 finds that it is discriminatory for SWBT to provide access to the splitter in
5 a line sharing context while not providing the splitter in a line splitting
6 context."²⁴²
7

8 Other state commissions, including those in Indiana and Wisconsin, have
9 similarly determined that ILECs must provide for line splitting with ILEC-owned
10 splitters.²⁴³ For example, the Indiana Commission required Ameritech to provide
11 splitters as follows:

12 [T]he Act provides for dual oversight of telecommunications
13 providers through both federal and state regulatory agencies.
14 Specifically, the Act endowed the FCC with specific authority and
15 grants the state regulatory agencies additional authority to impose
16 requirements on ILECs that are consistent with the requirements of
17 the Act. *Accordingly, in viewing the relevant FCC orders with*
18 *respect to this issue, we do so with the knowledge that the order of*
19 *this Commission is not limited by the action of the FCC so long as*
20 *our action is consistent with the Act of Congress, 47 U.S.C.*
21 *¶251(d) and 261. On this issue, we exercise our authority to order*
22 *action consistent with the intent of the Act, and recognize the high*
23 *and low frequency aspects of a copper line as separate UNEs*
24 *which Ameritech must provide without respect to whether it is*
25 *providing high or low frequency service directly to the end user...*
26

242 *Petition of SWBT for Arbitration with AT&T Communications, TCG and Teleport Communications Pursuant to Sec. 252(b)(1) of the Federal Telecommunications Act of 1996, Docket No. 22315, Order Approving Revised Arbitration Award, dated March 14, 2001, at 7.*

243 *AT&T Communications Of Indiana, Inc., TCG Indianapolis Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Indiana Bell Telephone Company, Incorporated d/b/a Ameritech Indiana pursuant to Section 252(b) of the Telecommunications Act of 1996, Cause No. 40571-INT-03, Indiana Utility Regulatory Commission Order; Petition for Arbitration to Establish an Interconnection Agreement Between Two AT&T Subsidiaries ("Indiana Order") at 67-68; AT&T Communications of Wisconsin, Inc. and TCG Milwaukee, and Wisconsin Bell, Inc. (d/b/a Ameritech Wisconsin), Docket 05-MA-120, Public Service Commission of Wisconsin Arbitration Award (Oct. 12, 2000) at 77-80.*

1 *We find that line splitting encourages entrants into the local*
2 *exchange market, furthers competition within the local market and*
3 *is consistent with the provisions of the Act. Line splitting will*
4 *allow data LECs to compete for the [high frequency loop*
5 *spectrum] of all capable lines, rather than only those lines in which*
6 *voice service is provided by Ameritech.*

7
8 The Commission therefore finds that the [high frequency loop
9 spectrum] is a loop functionality and that the high frequency
10 capacity is a capability of the loop. We further find that a splitter
11 is considered ancillary equipment that allows access to that
12 functionality. *A splitter shall be provided as ancillary equipment*
13 *when requested to allow AT&T access to the [HFS].*²⁴⁴
14

15 Second, even if the Commission does not choose to rule on this issue in
16 the context of this arbitration, it has twice promised to rule on the issue
17 “expeditiously” in the last fifteen months if such an option is clearly not permitted
18 by the text of the Commission order.²⁴⁵ Given the fact that several states have
19 already disposed of the issue—requiring incumbents to provide splitters on a line
20 at a time basis—it is important that the Commission act soon and establish a
21 national requirement. Assuming that it does take such action, there is no reason
22 why AT&T should be required to submit to additional, and potentially protracted
23 proceedings to implement this requirement in the agreement now being arbitrated.
24 Therefore, AT&T’s provision should be adopted.

244 *AT&T Communications of Indiana, Inc., TCG Indianapolis Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Indiana Bell Telephone Company, Incorporated d/b/a Ameritech Indiana pursuant to Section 252(b) of the Telecommunications Act of 1996, Cause No. 40571-INT-03, Indiana Utility Regulatory Commission Order (Nov. 20, 2000) at 67-68.*

245 *Texas 271 Order ¶ 328; Line Sharing Reconsideration Order ¶ 25.*

1 Q. SHOULD VERIZON BE REQUIRED TO PERFORM CROSS-
2 CONNECTION WIRING AT THE DIRECTION OF AT&T (OR ITS
3 AUTHORIZED AGENT), INCLUDING CLEC-TO-CLEC CROSS-
4 CONNECTIONS, REGARDLESS OF WHO DEPLOYS A SPLITTER OR
5 WHERE IT IS DEPLOYED IN A LINE SHARING OR LINE SPLITTING
6 ARRANGEMENT?²⁴⁶

7 A. AT&T's proposed § 1.11.2 provides:

8 Verizon will permit collocation-to-collocation connections
9 between AT&T and other carriers' collocation space, regardless of
10 the carrier owning the collocation, provided only that the two
11 collocation sites are in the same Verizon Central Office building.
12 AT&T shall have the option to request that Verizon provide the
13 cross-connecting facility or to provide and install the facility itself.
14 Such cross-connecting facilities may either be copper or fiber, at
15 AT&T's choice, and Verizon shall not require the use of
16 equipment or additional cross-connection points between the two
17 collocation locations except those that may be necessary to assure
18 proper operation of the connection.
19

20 Although Verizon objected to this proposed language on legal grounds,²⁴⁷
21 it notes that it has agreed to provide CLEC-to-CLEC cross connections pending
22 the Commission's ruling on the remand of its collocation requirements. The
23 Commission has now issued that ruling, and the Press Release summarizing it²⁴⁸
24 states that the Commission will require incumbents to "provision cross-
25 connections between collocated carriers, and . . . to provide such cross-connects
26 on reasonable request." As a result, the basic issue is now resolved. However,
27 since the Press Release indicates that the Commission has apparently determined
28 that competitive carriers are not permitted to construct and maintain cross-

246 Issue III.10.B.8.

247 See SSUI at 97-99.

1 connects, AT&T is prepared to modify the above language to remove its “option”
2 to do so if such an option is clearly not permitted by the text of the Commission
3 order. Nevertheless, the language is necessary to establish a clear obligation on
4 Verizon.

5 **Q. MUST VERIZON ALLOW AT&T TO COLLOCATE PACKET**
6 **SWITCHES IN COLLOCATION SPACE?²⁴⁹**

7 **A.** Yes. This issue is covered in AT&T’s § 1.11.3:

8 Verizon will permit and will not restrict AT&T’s right to collocate
9 equipment that performs packet switching or contains packet
10 switching as one function of multi-function equipment, provided
11 only that the equipment conforms to the minimum NEBS safety
12 standards applicable to other equipment that may be collocated.
13

14 This matter also appears to have been resolved in the Commission’s recent
15 order. According to the Press Release, the Commission has generally approved
16 the collocation of switching and routing equipment (other than “traditional circuit
17 switches”). Therefore, AT&T’s proposed language should be fully consistent
18 with the Commission’s new rules. To the extent that the text of the recent
19 Commission Order provides further insight regarding the implementation
20 obligations in this are, AT&T will be prepared to propose and support appropriate
21 modifications which should be fully considered in this arbitration.

248 “FCC Approves Rules Designed to Give New Entrants Access to Incumbent Local Phone
Companies’ Networks,” July 12, 2001.

249 Issue III.10.B.10.

1 Q. WHAT INTERVAL SHOULD BE ADOPTED FOR COLLOCATION
2 AUGMENTATION?²⁵⁰

3 A. AT&T's proposed contract language at § 1.3.6 requires Verizon to implement
4 requests for collocation augmentation within 30 days of an accurate application
5 for such augmentation. Verizon states that the parties "are still negotiating this
6 issue and may be able to reach an agreement."²⁵¹ Under such circumstances, I
7 would merely note here that it should take Verizon substantially less time to
8 implement augmentations to existing collocations than to implement orders for
9 new collocations.²⁵² Just as Verizon did, AT&T reserves the right to supplement
10 its testimony (including the submission of oral testimony at any hearings) in the
11 event the parties cannot reach agreement on this issue.

12 Q. WHY SHOULD THE COMMISSION ACCEPT AT&T'S PROPOSED
13 CONTRACT PROVISION LIMITING VERIZON'S ABILITY TO
14 IMPOSE CERTAIN MANDATORY COLLOCATION REQUIREMENTS
15 ON CLECS THAT WISH TO ENGAGE IN LINE SHARING OR LINE
16 SPLITTING?²⁵³

17 A. AT&T's proposed § 1.11.1 prohibits Verizon from requiring AT&T to connect
18 the unbundled loop and switching elements in collocation, except in cases where

250 Issue III.10.B.12.

251 See SSUI at 97.

252 This is precisely the reasoning behind the Pennsylvania finding that it should only take thirty days (30) for collocation augmentation for the cabling required for line sharing. *Petition of Covad Communications Company for an Arbitration Award Against Bell Atlantic-Pennsylvania, Inc., Implementing the Line Sharing Unbundled Network Element, A-310696F0002, and Petition of Rhythms Links, Inc. for an Expedited Arbitration Award Implementing Line Sharing, A-310698F0002*, Opinion and Order, (Nov. 15, 2001) at 17. ("For the foregoing reasons, based upon the record before us, we shall direct that the cable augmentation interval for existing collocation arrangements shall be thirty (30) business days.")

253 Issue III.10.B.15.

1 the splitter necessary to separate the high and low frequency signals on a loop that
2 is located in an AT&T collocation.²⁵⁴ This provision merely provides that
3 Verizon may not require AT&T to use its own facilities unless it is technically
4 necessary to do so. Moreover, this change has no material effect on the
5 provisioning of DSL over copper-only loops. However, it could lead to
6 significant problems assuming that AT&T is entitled to obtain access to entire
7 loops for the provisioning of DSL service in an NGDLC architecture.

8 **Q. WHY SHOULD THE REMAINDER OF AT&T'S PROPOSED**
9 **CONTRACT LANGUAGE BE ADOPTED?**

10 **A.** As discussed above, AT&T's contract language generally provides more clarity
11 and precision than Verizon's and reduces the likelihood of disagreements in the
12 future resulting from the ambiguities present in Verizon's proposed contract
13 provisions. For example, unlike Verizon's proposed section 11.2.17, AT&T's §
14 1.1.1, consistent with the *Line Sharing Reconsideration Order*,²⁵⁵ defines the
15 loop facility eligible for line sharing without reference to "copper" facilities.
16 With respect to the testing of line sharing equipment, AT&T's § 1.7.3, in contrast
17 to Verizon's § 11.2.17.5.3, clarifies that Verizon may deploy its own test heads,
18 but it must do so at its own expense. Similarly, AT&T's § 1.8. (and related
19 subsections) provides additional operational and financial detail regarding the
20 handling of troubles on customer lines that are used in line sharing and line

254 See Verizon Proposed Contract § 11.2.17.4.

255 *Line Sharing Reconsideration Order* ¶¶ 10-13 (clarifying that the requirement to support line sharing applies to the "entire loop" not merely to copper facilities).

1 splitting compared to Verizon's §11.2.17.9. Accordingly, all of AT&T's
2 proposed contract language on line sharing and line splitting should be adopted.

3

ISSUE V.6 Under what terms and conditions must Verizon provide AT&T with access to local loops when Verizon deploys Next Generation Digital Loop Carrier (NGDLC) loop architecture?

4 **Q. WHAT IS AT&T'S POSITION REGARDING VERIZON'S OBLIGATION**
5 **TO PROVIDE UNBUNDLED ACCESS TO NGDLC LOOPS?**

6 **A.** Because the Commission has defined loops as a *functionality*, not as specific
7 *facilities*, Verizon should be required to provide AT&T unbundled access to all
8 types of loops—including NGDLC loops.

9 **Q. WHERE IS AT&T'S PROPOSED CONTRACT LANGUAGE RELATING**
10 **TO NGDLC LOOPS?**

11 **A.** That language may be found in Section 11.2 of AT&T's proposed interconnection
12 agreement, which also incorporates Schedule 11.2 of that proposal.

13 **Q. DOES VERIZON PROPOSE CONTRACT LANGUAGE FOR NGDLC**
14 **LOOPS?**

15 **A.** Generally, no. Instead, Verizon asserts that "it is unclear to Verizon precisely to
16 what AT&T seeks access,"²⁵⁶ and states that the Commission should not decide
17 that issue here.²⁵⁷ Indeed, it has sought to dismiss this issue from the arbitration,
18 and it asserts that the issue should be decided in the pending rulemaking

²⁵⁶ In light of the detailed two-page general definition of the loop AT&T has provided of the loop and its functionalities (*see* AT&T's Schedule 11.2, § 2.1) and the additional full page definition of NGDLC Loops (*id.*, § 2.4.6) this argument simply cannot be credited.

²⁵⁷ SSUI at 141.

1 addressing related issues.²⁵⁸ Thus, there is no parallel language for the
2 Commission to review here.

3 **Q. WHY SHOULD THE COMMISSION ADOPT AT&T'S PROPOSED**
4 **CONTRACT LANGUAGE ON NGDLC LOOPS?**

5 **A.** In ongoing proceedings at this Commission, AT&T has presented both legal and
6 factual evidence that support the CLECs' need for unbundled access to "entire
7 loops," *i.e.*, the entire functionality that supports the transmission of
8 telecommunications signals between a customer's premises and the serving ILEC
9 central office. Those materials overwhelmingly demonstrate that CLECs are
10 impaired in their ability to compete if they are not permitted to obtain access to
11 the entire loop functionality, regardless of the manner in which an ILEC chooses
12 to implement it. Specifically, AT&T's presentations to the Commission establish
13 the CLECs' legal right to, and their practical need for, this critical functionality.
14 Therefore, AT&T has proposed contract provisions that set forth, in appropriate
15 detail, the contractual terms and conditions necessary to assure that Verizon
16 fulfills its obligations in this key competition-affecting area. Given the fact that
17 Verizon has sought to avoid this issue and has not submitted parallel language for
18 the Commission's consideration, AT&T's language on these issues should be
19 adopted.

258 *Id.* at 144.

1 Q. WHAT LEGAL AND FACTUAL EVIDENCE ARE YOU REFERRING
2 TO?

3 A. AT&T's filings with the Commission include the following, which I append
4 hereto as attachments 3, 3A, 4, 5, and 6, and incorporate by reference. In
5 addition, I adopt Mr. Joseph Riolo's declaration of October 12, 2000 as my own.
6 Specifically, the appended materials include the following:

7 1. *AT&T's October 12, 2000 Comments in CC Dockets 98-*
8 *147 and 96-98, pages 34-68, and the attached Declaration of*
9 *Joseph Riolo of the same date (Attachments 3 and 3A). These*
10 *materials explain the technological changes that are underway in*
11 *loop plant that hold new and significant implications for the*
12 *development of competition. Specifically, they explain that*
13 *NGDLC technology is being used to deploy additional electronics*
14 *in remote terminals located between customer premises and ILEC*
15 *central offices, which reduces the length of the copper facilities*
16 *used to serve customers. This is important, because the ability of a*
17 *loop to carry high frequency transmissions declines as the length of*
18 *the copper loop segment increases. These materials also explain*
19 *that the ongoing technology changes do not, have not and cannot*
20 *change the basic functionality of the local loop, nor do they change*
21 *CLECs' fundamental need for access to their customers through*
22 *the use of unbundled loops. As a result, these materials*
23 *demonstrate that the introduction of the new loop technology*
24 *provides no legal or policy basis to modify the current definition of*
25 *the local loop, which includes "attached electronics."*
26

27 These materials further show that access to "spare copper" loops is
28 not a viable substitute for access to the entire capability of an
29 NGDLC loop to transmit both high and low frequency signals from
30 an end user's premises to the ILEC's serving central office.
31 Moreover, they demonstrate that it is virtually always infeasible for
32 a CLEC to collocate at a remote terminal, both because there is no
33 room to do so and because the economic and practical difficulties
34 associated with collocation either at or near a remote terminal
35 effectively preclude CLECs from offering competitive services of
36 equal quality to the incumbent's service. In addition, they
37 demonstrate that the Commission's rules regarding access to ILEC
38 DSLAMs located in central offices — which perform solely
39 multiplexing (and not packet switching) functions — cannot
40 reasonably apply when the ILECs deploy DSLAM functionality in
41 remote terminals.

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2. *AT&T's November 14, 2000 Reply Comments in CC Dockets 98-147 and 96-98, pp. 39-81 (Attachment 4).* These materials amplify the October 12 comments and further show that implementation of NGDLC loop architecture does not change any of the fundamental legal and policy principles that guided the Commission in defining the local loop network element and does not alter CLECs' need to obtain access to all of their customers' telecommunications signals. They also show that, contrary to the ILECs' claims, there are significant incentives for the incumbents to continue deploying NGDLC Loops even if they are required to make them available as unbundled network elements. Further, they show that ILEC offers of access to spare copper and/or wholesale "broadband services" are not substitutes for access to the entire loop as an unbundled network elements and that failure to require unbundled access to entire loops will have a drastic impact on the prospects for competition of both advanced services and voice services.

Finally, they demonstrate that the Commission's definition of DSLAMs as part of the packet switching element is erroneous even under the Commission's own standards and must be changed, especially when the ILECs deploy DSLAM (*i.e.*, multiplexing) functionality in remote terminals.

3. *AT&T's February 27, 2001 Comments in CC Dockets 98-147 and 96-98 (Attachment 5).* These comments provide further discussion of the issues discussed above. In particular, they explain that the introduction of fiber-fed loops attached to DLC systems housed in remote terminals do not change the fundamental nature of the loop element, which remains the quintessential monopoly bottleneck facility, again supporting the need for CLECs to be able to obtain access to "entire loops" as unbundled network elements. They also provided answers to several other technical questions the Commission asked, including the following:

- (i) the fiber feeder between a remote terminal and an ILEC's central office is included in the definition of the loop;
- (ii) the presence of fiber feeder does not change a loop into shared transport;
- (iii) Central Office Terminals, Optical Concentration Devices and similar devices are the network end of the loop element; and

1 (iv) rules allowing CLECs the option of obtaining access to
2 unbundled subloops, dark fiber or "all copper" loops do
3 not displace CLECs' need (and right) to obtain access to
4 an entire loop.
5

6 4. *AT&T's Reply Comments dated March 13, 2001 in CC*
7 *Dockets 98-147 and 96-98 (Attachment 6)*. These material show
8 that the comments of other parties confirm the positions AT&T
9 articulates and rebut claims presented by the ILECs who seek to
10 limit new entrants' ability to compete by preventing them from
11 accessing their monopoly loop plant when they deploy NGDLC
12 loop architecture.
13

14 **Q. WHY SHOULD THE COMMISSION ADOPT THE POSITIONS AT&T**
15 **HAS ADVOCATED IN THIS PROCEEDING AND ADOPT AT&T'S**
16 **PROPOSED CONTRACT PROVISIONS?**
17

18 **A.** First, as noted above, the Commission, sitting as arbitrator, has the obligation to
19 assure that the citizens of Virginia benefit from full, open and fair competition.
20 Second, arbitrators in Texas, acting on virtually identical information, have issued
21 a Arbitration Award that essentially adopts the positions AT&T supports here.²⁵⁹
22 This provides a significant precedent for the Commission to follow in its role as
23 arbitrator. Third, in all events, the Commission should be adopt an order on these
24 issues in CC Dockets 98-147 and 96-98 in the near future, quite possibly during
25 the expected pendency of this proceeding. Accordingly, in order to minimize the
26 time between the issuance of the Commission's ruling and the implementation of
27 that ruling, AT&T requests the Commission to arbitrate the contractual provisions
28 relating to these important issues. In all events, given the pendency of these
29 issues before the Commission and their competitive import, these issues should

259 *Petition of IP Communications Corporation to Establish Expedited Public Utility Commission of Texas Oversight Concerning Line Sharing Issues*, Docket No. 22168 (July 13, 2001), pp. 61-99.

1 continue to be a part of this proceeding and should not be dismissed as Verizon
2 has requested.

3 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY AT THIS TIME?**

4 **A. Yes.**